



**Belvedere:** December 16, 2004  
*Jerry Butler*

**Corte Madera:** **TO:** Transportation Authority of Marin Commissioners  
*Melissa Gill*

**Fairfax:** **RE:** Request from Chair Kinsey to Review the Metropolitan Transportation  
*Lew Tremaine* Commission (MTC) Legislative Agenda - Agenda Item 9

**Larkspur:** Dear Commissioners:  
*Joan Lundstrom*

**Mill Valley:** Attached is the draft 2005 Legislative Agenda for MTC. It is scheduled for  
*Dick Swanson* review at the MTC Legislation Committee on December 10, 2004 and the  
Metropolitan Transportation Commission on December 15, 2004.

**Novato:** **Recommendation**  
*Pat Eklund*

Discuss and provide direction to staff.

**Ross:**  
*Tom Byrnes*

**San Anselmo:** Respectfully Submitted,  
*Peter Breen*

**San Rafael:** Craig Tackabery  
*Al Boro* Executive Director

**Sausalito:** Attachment:  
*Amy Belser*

**Tiburon:** 1. MTC draft 2005 Legislative Agenda  
*Alice Fredericks*

**County of Marin:**  
*Susan Adams*  
*Hal Brown*  
*Steve Kinsey*  
*Cynthia Murray*  
*Annette Rose*

MTC 2005 FINAL LEGISLATIVE PROGRAM  
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Issue	Objective	Comments
1. Seismic Retrofit of Bay Area Bridges	Develop an equitable cost-sharing arrangement for funding cost overruns of toll bridge seismic retrofit projects	Consistent with Commission approval in September of the six-point <i>BATA Plan for Action</i> , MTC will work to develop an equitable cost-sharing arrangement to finance the \$3.2 billion shortfall for the state's Toll Bridge Seismic Retrofit Program that minimizes delay to these critical public safety projects. Any contribution of additional toll funds must protect the region's existing toll-funded commitments, whether in the voter-approved Regional Measures 1 and 2 or Resolution 3434, the Regional Transit Expansion Program. If the financing plan includes transferring authority for the existing \$1 seismic toll surcharge from Caltrans to the Commission, acting in its role as the Bay Area Toll Authority (BATA), it also should feature an expanded oversight role for BATA.
2. Government Restructuring and Efficiency	A. Support efforts to improve transportation project delivery through organizational reform, greater flexibility in contracting methods and public/private partnerships	<p><u>The cost overruns in the seismic retrofit program are symptomatic of a more fundamental crisis in the delivery of transportation projects in California. Simply put, projects take too long and cost too much.</u> Governmental restructuring is expected to be proposed by the Schwarzenegger Administration and reform in the way that transportation projects are delivered in California may well be part of that agenda. Building on some of the recommendations in the California Performance Review (CPR) and the Self Help Counties Coalition proposal, "Rescue Transportation," MTC will work with our transportation partners to support reforms that will improve project delivery and squeeze more value out of the Caltrans budget. However, MTC does not support the elimination of the California Transportation Commission or Caltrans as stand-alone agencies as proposed in the CPR, or the removal of these agencies from legislative <u>budgetary</u> oversight, as proposed in the draft "Rescue Transportation" proposal.</p> <p>MTC will support administrative or legislative reforms at Caltrans to (1) <u>expedite project delivery</u>, (2) increase the autonomy of districts by vesting decision-making authority for projects with project managers at the district level, (3) remove rigid salary caps to improve recruiting and retention of skilled staff, (4) provide greater flexibility in the types of contracting methods that are allowed under state law, (5 ) promote use of public/private partnerships, and (6) refocus the department on the importance of its operations and maintenance responsibilities.</p>

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Government Restructuring and Efficiency (cont'd)	B. Shift responsibility for grade crossings from the Public Utilities Commission to Caltrans	Support the California Transit Association, Caltrain and the Santa Clara Valley Transportation Authority's effort to enact legislation to transfer the Public Utilities Commission's responsibilities for review, approval, and prioritization for rail grade separation <u>and grade crossing</u> projects to Caltrans. This proposal is also recommended in the CPR.
3. Local Funding	A. Modify MTC's authority to permit a regional road "user fee" instead of regional gasoline "tax" for the Bay Area	Under current law, the MTC has the authority to place a regional gasoline tax on the ballot in the nine Bay Area counties. This authority has never been used, however, due to the fact that it requires a two-thirds majority approval by voters a threshold that polls have shown to be unattainable for a gasoline tax. MTC will sponsor legislation to modify current law to allow the voters to instead impose — with a simple majority approval — a regional road user fee that would be levied on gasoline within the nine counties. Eligible expenditures would be required to pass the legal "nexus" test required for fees.
	B. Increased flexibility for high occupancy/toll (HOT) lanes	Support the recommendation contained in the California Performance Review that would provide general authorization in state law for regional transportation planning agencies to develop high-occupancy/toll (HOT) lanes, whereby motorists could access carpool lanes without the occupancy requirements by paying a fee <u>that would vary according to the level of congestion in the lanes</u> . These lanes present a valuable opportunity for generating additional transportation revenue to complete the carpool lane network while also offering motorists a form of insurance against congestion.
	C. <u>Authorize county-based vehicle registration fees</u>	<u>Last year the Legislature authorized the San Mateo Congestion Management Agency to levy a \$4 vehicle registration fee for transportation and storm water projects. MTC will support the Alameda County Congestion Management Agency's proposed effort to authorize all congestion management agencies in the region to levy a vehicle registration fee for mobility improvements, congestion relief and environmental mitigation associated with transportation projects.</u>

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Local Funding (cont'd)	D. Protect local toll revenues	Oppose the California Performance Review proposal to use local toll revenues (between \$7 million to \$10 million annually) for the maintenance of state-owned toll bridges. Time and again, the state has failed to take action needed to raise revenues sufficient to maintain state facilities. This state responsibility should continue to be funded out of the State Highway Account, and not through diversion of voter-approved tolls earmarked for specific local transportation improvements.
4. State Funding	A. Protect Proposition 42 funding	<p>Proposition 42, which passed with 69 percent of the vote, dedicated the sales tax on gasoline to transportation purposes and allows funds to be directed back (or loaned) to the General Fund with a two-thirds vote — an action that has taken place in each of the last three years. Proposition 42 also provided funding for the 159 projects in the Traffic Congestion Relief Program (TCRP) through FY 2007-08. This sunset date creates a shortfall for these projects if funds are ever suspended instead of loaned. In the Bay Area, less than one-third of the region's total funding for TCRP projects (almost \$500 million of \$1.6 billion) has been reimbursed to date.</p> <p>MTC will support a constitutional amendment (similar to ACA 24 (Dutra), which MTC supported last year) to protect Prop 42. Ideally, the constitutional amendment would contain the following provisions: (1) delete the provision that allows the funds to be suspended, and instead permit Prop. 42 funds to be loaned to the General Fund on the condition that they are repaid within three years, with interest, (2) provide that no more than two loans should be permitted in any 10-year period, (3) <u>that no additional loan shall be made until the first is repaid</u> and (4) ensure that the statutory commitment to the 159 TCRP projects is fully honored.</p>

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State Funding (cont'd)	B. Index the state gasoline and diesel fuel tax	The voters last increased California's state fuel tax in June of 1990 via Proposition 111. This measure doubled the state fuel tax to 18 cents, with a 9-cent increase phased in over four years. Since that time, however, California's fuel tax rate has lost 25 percent of its value due to inflation. We are now one of only 15 states below the federal gasoline tax rate of 18.4 cents per gallon, and our state gas tax is well below the national average of 20.2 cents per gallon. Eleven states index all or a portion of their gas tax rate based on either the Consumer Price Index or the price of gasoline. To keep place with inflation and growing mobility needs, MTC will support legislation or a ballot initiative to index gasoline and diesel fuel in California.
	C. <u>Identify new funding sources for transit operations</u>	<u>MTC will continue to seek new funding sources for transit operations in general, and in particular those that serve the transit dependent, including low income communities, the elderly and persons with disabilities. This could include a pilot program to test the benefits of allowing transit access to non-emergency medical services as an allowable expense under the federal Medicaid program (known as Medi-Cal in California). A number of states have experienced substantial savings in reduced medical transportation costs by allowing Medicaid to be used for bus passes, including Connecticut, Florida, New York, Pennsylvania, Rhode Island, Washington and Utah.</u>
5. Traffic Operations	Reduce congestion by improving traffic incident response	Approximately half of all traffic congestion is due to the delay from traffic accidents. To the extent that legislation is necessary, MTC will work with our Southern California counterparts, the California Highway Patrol (CHP), and Caltrans to pass legislation, if necessary, to remove hurdles to a pilot program that would test the benefits of incentive-based payments to tow contractors for clearing major incidents more quickly. Modeled on the Open Roads Policy developed by the Florida Department of Transportation, the program would allow local agencies to reward their rotational tow contractors' bonuses based on their ability to clear up major traffic incidents safely and in a timely manner. Local Freeway Service Patrol agencies would work with the CHP and Caltrans to define specific program operations.

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6. Smart Growth	Implement recommendations from MTC-ABAG-BAAQMD Joint Policy Committee	MTC will work to implement recommendations resulting from the MTC-Association of Bay Area Governments (ABAG)-Bay Area Air Quality Management District (BAAQMD) Joint Policy Committee to support legislation that encourages compact, high-density infill development projects near transit stations. This may include (1) a <u>more flexible, expedited</u> environmental review process for mixed-use infill development projects near transit stations <u>that recognizes the benefits of infill development</u> and (2) funding for specific plans near transit stations.
7. Access to Mobility	Expand the Lifeline auto insurance program statewide	Under current law, California residents of Los Angeles and San Francisco counties whose annual household income equals or is less than 250 percent of the national poverty level are eligible for low-cost auto insurance. The insurance is available only to “good drivers” and the premiums are adjusted periodically to ensure that the program requires no subsidy by the insurance companies or the state. For low-income Californians who may need an automobile to access work or training, standard auto insurance premiums can be cost-prohibitive. Currently, there are over 8,000 policyholders of this insurance, 86 percent of whom were uninsured prior to purchasing the low-cost policy. MTC will support efforts to remove the sunset for this program (January 2007) and expand it to all Bay Area counties.
8. Federal Fund Deadlines	Simplify statutes regarding timely use of federal funds	Current state law stipulates that regional transportation planning agencies must obligate the full federal apportionments for Surface Transportation Program (STP) and Congestion Mitigation and Air Quality (CMAQ) within three years of the apportionment distribution to encourage timely expenditure of federal funds. However, the federal government provides only 90 percent of the apportionments in actual dollars to spend in what is known as “obligation authority.” We propose to amend state law to correct for this technical error.

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Issue	Objective	Comments
<b>TEA 21 Reauthorization — TEA 3</b>	<p>A. Support a six-year reauthorization bill that preserves the basic framework and key principles of TEA 21</p>	<p>Since TEA 21 (Transportation Equity Act for the 21st Century) expired on September 30, 2003, Congress has enacted six extension bills to ensure that federal funds continue to flow to the states, but a full reauthorization bill has yet to be finalized. MTC will work with national and statewide interests to secure a reauthorization bill in 2005 that provides increased funding levels under the same funding framework of TEA 21 and its predecessor, the 1991 Intermodal Surface Transportation Efficiency Act (ISTEA). We will seek to retain straightforward themes of flexibility and empowerment of metropolitan areas and local governments through metropolitan planning organizations. We will also work to protect TEA 21's "guaranteed" funding structure for both highways and transit, and to strengthen the trust fund Highway Trust Fund features.</p>
	<p>B. Expand tolling and variable pricing programs</p>	<p>In order to provide an option of a congestion-free commute using high-occupancy/toll (HOT) lanes, MTC supports a repeal of the current federal prohibition against tolls on Interstate highways, as proposed in S. 1072, the original 2004 Senate reauthorization proposal. With special federal permission, Southern California roadways, and highways in Texas and Virginia, have successfully implemented variable pricing on HOT lanes, but current federal law allows tolling only on a case-by-case basis. It is time to remove the general restriction and allow the toll revenues to be spent on both transit and highway improvements along the toll corridor. Mass transit services should continue to have free access to HOT lanes <u>and transit capital and operating expenses should be an eligible expense. In addition, conversion of carpool lanes to HOT lanes should not alter a region's funding level for FTA formula or fixed guideway modernization funding. Finally, tolls should be allowed for as long as the responsible agency desires; there should be no "sunset" provision required.</u></p>
	<p>C. Protect federal transit funding</p>	<p>MTC will work to retain the current program structure of 40 percent Rail Modernization, 40 percent New Starts and 20 percent for Bus and Bus facilities, and oppose the creation of new programs — such as a "Small Starts" set-aside or broadening New Starts eligibility to non-fixed guideway projects — without a commensurate increase in funding. We will support guaranteed funding levels for both the Mass Transit Account and General Fund portion of transit funding. We will work closely with the New Starts Working Group on proposed changes to the New Starts rating criteria and FTA decision-making process, as sought by the House Appropriations Committee.</p>

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<b>TEA 21 Reauthorization — TEA 3 (cont'd)</b>	D. Raise the pre-tax transit/vanpool commute benefit	Under current law, employers may provide their employees with a tax-free subsidy of up to \$100/month for taking transit or vanpooling, while \$195/month is allowed in parking subsidies. This discrepancy results in a skewed incentive towards driving that works against efforts to increase transit ridership. MTC will work with our partners, such as the Association for Commuter Transportation and the American Public Transit Association, to raise the commuter choice benefit for transit and vanpools so that it is on par with that provided for parking.
	E. Seek additional funds for Mobility for Seniors and Persons with Disabilities Program	Increase funding for the Federal Transit Administration Section 5310 program, which provides capital grants to governmental and non profit organizations to provide assistance in meeting the special transportation needs of elderly persons and persons with disabilities where public transit services are either insufficient, unavailable or inappropriate. Support proposed changes to permit the funds to be used for transit operations.
	F. Seek additional funds for welfare to work and coordinate with Temporary Assistance for Needy Families reauthorization	Transportation issues have emerged as an important factor in the transition from welfare to work. MTC will seek funding increases in the FTA Section 3037 Access to Jobs and Reverse Commute (JARC) program in the TEA 21 reauthorization <u>and support the Administration's proposal to distribute these funds by a formula based on each state's share of low-income residents.</u> In addition, MTC will <u>seek language</u> <del>provide technical assistance to state and national associations and to policy makers involved</del> in the reauthorization of the federal welfare program, known as the Temporary Assistance for Needy Families (TANF) <u>that encourages TANF program managers to coordinate with transportation providers</u> <del>to ensure that transportation issues are addressed effectively.</del> Similar to TEA 21, TANF has been extended multiple times, but not yet reauthorized.



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<p><b><i>TEA 21 Reauthorization — TEA 3 (cont'd)</i></b></p>	<p>G. Allow reasonable flexibility in air quality compliance and synchronize planning and programming timelines</p>	<p>In order to achieve conformity between federal air quality standards and the regional transportation plan, major metro areas have used emission reduction strategies called Transportation Control Measures (TCMs). We support allowing for substitution of previously adopted TCMs with newer strategies that can achieve equivalent or greater emissions reductions within a similar timeframe. This proposal is included in both the House and Senate versions of a new federal reauthorization bill.</p> <p>In addition, MTC supports changing the transportation planning cycle to every four years, instead of three, and changing the transportation improvement program (TIP) horizon to every four years as well. This would allow for better synchronization of these transportation planning and programming processes.</p>
	<p>H. Increase funding for metropolitan planning</p>	<p>Since the 2000 census, an additional 46 new metropolitan planning organizations (MPOs) have been created, yet no additional funding has been provided to meet the increased demand for funds. In partnership with the Association of Metropolitan Planning Organizations (AMPO), MTC supports the original Senate proposal to raise metropolitan planning funds from 1 percent to 1.5 percent of the core highway program, including the “minimum guarantee” provisions. We also support changing the planning program to a percentage of both the highway and transit title, as proposed by the House.</p>

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Issue	Objective	Comments
FY 2006 Annual Appropriations	Maximize the flow of U.S. DOT discretionary program dollars to the Bay Area	<p>MTC will continue to advocate, as its top priority, the BART-to-SFO extension to receive funding consistent with the amount stipulated in the Full Funding Grant Agreement (FFGA): \$82 million. In addition, the Commission will continue its advocacy efforts to implement the Regional Transit Expansion Plan, Resolution 3434, by advocating federal New Starts funds for the next generation of Bay Area projects. Those two new projects are a BART extension to Silicon Valley and the San Francisco MUNI's Central Subway.</p> <p>Resolution 3434 re-institutes a regional voice into the Section 5309 discretionary bus program, particularly for AC Transit's Berkeley/Oakland/San Leandro Enhanced Bus project. This gives the Commission an advocacy platform for building alliances with transit interests beyond current New Starts projects — a positive step in outreach to our Washington delegation. In addition, we will support efforts to authorize a Bay Area set-aside for ferryboat funding and to increase that program from the current \$38 million annually to at least \$100 million annually to facilitate that Bay Area set-aside. We also support a discretionary bridge earmark to fund seismic retrofit of the Golden Gate Bridge.</p>
Transit Security	Seek funding from Department of Homeland Security for Bay Area transit systems	MTC will support Bay Area transit operators' efforts to obtain additional funding for transit security. Consistent with the recommendations of the 9/11 Commission, such funds should be awarded to the transit operators based on the level of risk identified by the Department of Homeland Security, in coordination with the Federal Transit Administration. Additionally, MTC will work to ensure that adequate federal funds are provided to meet new federal security requirements that apply to all operators.
<u>Port Security</u>	<u>Seek federal funding for Bay Area ports</u>	<u>While much media coverage has been directed to the issue of port security over the last year, this attention has yet to be translated into commensurate funding. For instance, in May 2003, the California National Guard issued a report that found the Port of Oakland to be the second most critical asset as a potential terrorist target in the state. Yet only 10 percent of the Port of Oakland's estimated security needs have been funded. MTC will support efforts to obtain additional federal funds to meet all Bay Area ports' security needs.</u>

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Amtrak and High-Speed Rail	Advocate the continuation of a federal commitment to Amtrak and seek federal high-speed rail investment	MTC will support congressional actions to maintain an adequate federal commitment to passenger rail transportation in America through Amtrak. In addition, as part of a strategy to continue Amtrak, we will seek a federal commitment to fund high-speed rail. As the November 2006 ballot approaches, through which California voters will be asked to approve a \$9 billion dollar investment in high-speed rail, a national commitment to assist in this massive state effort is appropriate.

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